



Memorandum

CITY OF DURHAM

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Reginald J. Johnson, Director
Department of Community Development

Date: November 13, 2012

Re: Resolution Submitted by the Homeless Services Advisory Committee

We have reviewed the resolution submitted by Mr. Fred Stoppelkamp on behalf of the Homeless Services Advisory Committee concerning the reallocation of the \$720,000 in general funds that was included in the dedicated funding plan for FY 13-14 for the financial restructuring of Preiss-Steele Place if needed. That resolution requests that the \$720,000 designated for the Durham Housing Authority be transferred to "Match/Gap Financing for Housing Persons with Special Needs".

The application guidelines and instructions for Community Development Block Grant and general funds as currently drafted by the Department of Community Development includes the following statements: "The funding strategy for FY 13-14 includes \$720,000 for the financial restructuring of Preiss-Steele Place in the event that the project was not awarded FY 12 Low Income Housing Tax Credits (LIHTC). Fortunately, LIHTC were awarded to the project and therefore, the \$720,000 is not required. Preiss-Steele Place is a 102-unit affordable housing project serving near elderly (senior) and disabled individuals. Given the need in the community for affordable housing serving vulnerable populations such as seniors and persons with disabilities, viable applications requesting funding to preserve or increase the supply of housing serving such populations will be considered through this application process".

Applications requesting the funding would be evaluated based on applicant capacity, leveraging of other resources, cost effectiveness, sustainability and consistency with the priorities of the Five-Year Consolidated Plan. Applications must be submitted to the Department by January 10 for Council consideration in April as a part of Annual Action Plan process for HUD funding. General funds would be available in July 2013 pending Council approval of the budget.

The guidelines proposed by the Department would allow applicants to request the reallocated funding as Match/Gap Financing for Housing Persons with Special Needs without closing the door on applications requesting funding to benefit seniors, persons with disabilities and other vulnerable populations that would leverage significantly greater non-local dollars. Given the need for affordable housing serving all low income and vulnerable populations, we believe this additional measure of flexibility to ensure maximum leverage of limited City of Durham funding is warranted.

Please let us know if there are questions or if additional information is needed.